

# **EXHIBIT 51**

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS**

**COMMONWEALTH OF  
MASSACHUSETTS, et al.,**

**Plaintiffs,**

**v.**

**NATIONAL INSTITUTES OF HEALTH,  
et al.,**

**Defendants.**

**CASE NO. 1:25-CV-10338-AK**

**Declaration of Dr. Penny Gordon-Larsen, PhD**

I, Dr. Penny Gordon-Larsen, hereby declare:

1. I am the Vice Chancellor for Research and W.R. Kenan, Jr. Distinguished Professor at the University of North Carolina at Chapel Hill (“UNC”), a position I have held since 2023. As Vice Chancellor for Research, I have oversight of UNC’s Office of the Vice Chancellor for Research, which includes research administration and support operations. Prior to holding this position, I was Interim Vice Chancellor for Research at UNC and also the Chamblee Distinguished Professor.
2. As the Vice Chancellor for Research, I have personal knowledge of the matters set forth below, or have knowledge of the matters based on my review of information and records gathered by staff.
3. I am providing this declaration to explain certain impacts of National Institutes of Health (“NIH”) Notice Number NOT-OD-25-068, *Supplemental Guidance to the 2024 NIH Grants Policy Statement: Indirect Cost Rates* (“Supplemental Guidance”), which purports to immediately reduce indirect costs payments to 15%.

4. UNC is North Carolina's flagship research university. Our unique, collaborative campus, in combination with our breadth of science, allows translational thinking and approaches that ultimately yield innovations and action. From developing new technologies that prevent and cure diseases to investigating the spread of disease by ticks and mosquitoes to extracting contamination from water sources to combatting the opioid crisis to tracking and mitigating the risk of extreme events like hurricanes and flooding, UNC's research enterprise creates solutions to today's most critical challenges.
5. In fiscal year 2024, UNC received \$675.6M in funding from the NIH. UNC has a Negotiated Indirect Cost Rate Agreement ("NICRA") with NIH, effective as of September 16, 2021. The Indirect Cost ("IDC") Rates for UNC's NICRA are:
  - a. 55.5% for Organized Research, On-Campus;
  - b. 50% for Instruction, On-Campus; and
  - c. 36% for Other Sponsored Activities, On-Campus.
6. UNC's total blended IDC rate for NIH funding is 47.56% for the current fiscal year. This represents 24.6% of total NIH funds received by UNC for the current fiscal year.
7. NIH's reduction of UNC'S IDC rates would eliminate approximately \$123M annually in funding from the NIH that UNC uses to support research infrastructure necessary for its research programs. If the current injunction in this case is lifted and NIH's Supplemental Guidance is implemented, the loss of these funds will immediately impact UNC's ability to cover expenses associated with, among other items: facilities operations and maintenance, facilities debt service and rent, research equipment purchases, federally-mandated regulatory compliance and grant administration functions, research-specific IT services, and research-specific student support.

8. In the event the Supplemental Guidance is implemented, UNC also anticipates, and is planning for, paused or canceled clinical trials due to an inability to maintain the facilities and regulatory support necessary for proper trial execution. This would directly impact patient care in North Carolina.
9. As detailed above, implementation of the Supplemental Guidance would detrimentally impact UNC's ability to meet its payroll obligations, maintain its facilities, and service its research-specific facilities debt. This may lead to layoffs, debt defaults, and shuttering of buildings and associated research programs.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed this 18th day of February, 2025, in Washington, D.C.



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Dr. Penny Gordon-Larsen, PhD  
Vice Chancellor for Research  
W.R. Kenan, Jr. Distinguished Professor  
The University of North Carolina at Chapel  
Hill